

EXHIBIT C

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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH – CENTRAL DIVISION**

RAPID ENTERPRISES, LLC, DBA
EXPRESS ONE, a Nevada limited liability
corporation,

Plaintiff,

vs.

UNITED STATES OF AMERICA; UNITED
STATES POSTAL SERVICE; and JOHN
DOES I-X.

Defendant.

DECLARATION OF SCOTT BRYCE

Civil No: 2:22-cv-00627

Judge Daphne A. Oberg

I, Scott Bryce, hereby state and declare under penalty of perjury as follows:

1. I am over 21 years of age and a resident of the State of Utah. All statements made in this Declaration are based on my personal knowledge or belief.

2. I am the President of Rapid Enterprises, LLC dba Express One, the plaintiff in the above-captioned lawsuit.

3. During the last twelve months, Express One has driven approximately \$3 billion of business to the USPS through its reseller network.

4. The enormous business that Express One drives to the USPS did not happen by chance. It is the direct result of the time, effort and investment by Express One.

5. On April 3, 2019, the USPS sent Express One a Notice of Termination seeking to terminate Express One's reseller contract. *See* Notice of Termination dated April 3, 2019, Ex. 1.

6. The Notice was preceded by an April 1, 2019 phone call from USPS's Alan Ladd and Jim McNally to myself and Bret Miller during which they informed us that the USPS was cancelling the reseller program and going in a different direction. Mr. Ladd and Mr. McNally informed us that the USPS would give all resellers, including Express One, until June 30, 2019 to inform their software partners and customers that the program had been terminated.

7. In June of 2019, the USPS extended this deadline to December 31, 2019.

8. On information and belief, Alan Ladd, who made these representations, is now associated with Pirate Ship, one of the entities benefitting from the USPS's unlawful behavior set forth herein.

9. Eventually, the USPS reversed course and walked back the Notice of Termination. It promised Express One that the retraction and recommitment to Express One as a reseller was not merely a bait-and-switch effort to change the terms of the 2013 Contract to more favorable terms for the USPS.

10. The USPS encouraged Express One to enter into a new contract with the USPS and to continue to grow its reseller business.

11. The 2019 Contract contained a termination provision that stated, “[t]his Contract shall expire on December 31, 2023, unless: (1) Terminated by the Postal Service with ninety (90) calendar days’ notice to Customer in writing” *See id.*

12. Representatives from the USPS represented to Express One during the contract negotiation process that the 90-day termination provision was simply part of the USPS form contract and that the USPS had no intentions of terminating the contract prematurely.

13. Although the 2013 Contract contained certain minimal reporting requirements, the USPS never actively required that information. That all changed following execution of the 2019 Contract.

14. In 2020, the USPS began demanding that Express One provide its customer and pricing information along with PCID numbers for each shipping customer and MID numbers for each platform partner.

15. In addition, the USPS began using new “intake forms” that required more detailed information regarding prospective platform partners and the percent off discount offered by Express One to its platform partners.

16. Josen Punnoose, Channel Strategy & Support for USPS, emailed me and asked, “For all merchants and platforms that you would like to register on Stamps.com, please include a unique MID for that merchant or platform. Stamps.com can provide that MID for you; We will need that MID when you submit the intake form. For all other PC Postage providers, please use a

unique PCID for each merchant and platform that you would like to register.” Email dated January 10, 2020, attached hereto as Ex. 2.

17. On June 10, 2020, Josen Punnoose emailed me, Bret Miller, and others, and stated, “Today, our CFO and the USPS committee that oversees NSAs has told us that they will give us until July 31st 2020 to become fully compliant on the visibility part of your NSA. What that simply means is that any registered platform or merchant must have a PCID (if it is Pitney or Easy Post) or MID (if it is Stamps or Endicia) assigned and used in the ICR files to be eligible for the Platform Tier; if not, that platform or merchant will need to use Tier 1 pricing.” Email dated June 10, 2020, attached as Ex. 3 to Miller Decl.

18. Another example of USPS mining Express One for its confidential business information occurred on December 7, 2020, when USPS Manager of Business Alliances, Annette Atkin, emailed Express One and requested:

We’ve been asked to put together a presentation for USPS finance leadership. Can you please help to answer these questions below?

- Size of their salesforce/agents
 - Sales
 - Service
 - Technical
- What are some of the specific types costs that the resellers have? I have put down some that I thought of. Please feel free to add/edit.
 - Sales and support personnel
 - Technical integrations
 - Fees to platforms
 - Licensing fees
 - Label fee (PC Postage providers)

Email dated December 7, 2020, attached as Ex. 4 to Miller Decl.

19. I responded later that day with a detailed list of costs and expenses stating: “Here are some additions to your list ... This is an expensive endeavor. The above was off the top of my head and may have more later. Hopefully this will suffice.” *Id.*

20. Then on July 15, 2020, when Josen Punnoose, Channel Strategy & Support for USPS, emailed Bret Miller and I and stated, “Over the past few months our internal Customer Experience & Design Strategy (CXDS) team has been working on identifying how to improve our Customer Care strategy for our small business customers. As a next phase, we are researching how platforms who work closely with small businesses take care of their customers and what we (USPS) can learn from that. If you are interested in joining us for a conversation about topics such as sign-up and onboarding customers, guiding them through creating manifests/shipping forms, tracking, and issue resolution, please let me know and I will schedule time with Tom Diefenbach, manager of CXDS, copied on this message.” Email dated July 15, 2020, Ex. 5 to Miller Decl.

21. Yet another example of this data mining occurred on August 26, 2020, when Josen Punnoose emailed Bret Miller and me, stating, “Our pricing department is doing some research to see where our Priority Mail CPP prices sit with our competition. Would you be able to help answer a few quick questions that they have below, please? If not, no worries at all. Q1. What % discounts are competitors giving merchants off ground and 2-Day Air products? ... Q2. What is USPS’s volume % compared to total volume for the below?” Email dated August 26, 2020, Ex. 6 to Miller Decl.

22. In a phone call with Gary Reblin, Josen Panoose, Brett Miller, and me, the USPS represented it needed this detailed customer, pricing and business information to monitor for “bad

actors” and “illegal resellers,” and it expressly stated that the information would not be used to compete with Express One or for any other ulterior or nefarious purposes.

23. On May 3, 2022, the USPS issued a press release announcing its launch of its new e-commerce platform “USPS Connect eCommerce.” *See* <https://about.usps.com/newsroom/national-releases/2022/0503-usps-connect-ecommerce-to-enhance-solutions.htm>.

24. The day the USPS launched Connect eCommerce, Express One representatives, including myself, received a phone call from USPS employee Mark Worrall. According to Mr. Worrall, the purpose of the call was to tell Express One about the launch of Connect eCommerce and to reassure Express One that the USPS was not changing any of the terms of the 2019 Contract.

25. Critically, Mr. Worrall represented to us that USPS would not proactively contact Express One’s existing platform partners; however, if one of its platform partners reaches out to the USPS and wants to sign up, USPS would allow them to do so.

26. This promise was reaffirmed in the meeting in Phoenix, Arizona on May 16-17, 2022 that I attended along with Bret Miller (Express One), Kha Ly (Express One), Shibani Gambhir (a Vice President within the USPS), Mark Worrall, Alexandra Robleto, Annette Atkin and Sara Bambrough of the USPS.

27. Express One has already begun to suffer irreparable harm as platform partners and customers have learned about the USPS’s decision to discontinue the reseller program and terminate Express One’s reseller contract.

28. By way of example, in August 2022, one of Express One's largest software platform partners, XPS Technologies signed a contract with Postage Force, a large shipping consolidator, in an effort to protect itself from USPS's decision to discontinue the reseller program.

29. Express One has heard from other platform partners and customers who are exploring contingency plans in response to the announcement from the USPS.

30. The USPS's decision to discontinue the reseller program and terminate its 2019 Contract with Express One, if allowed to stand, will not only cost Express One hundreds of millions of dollars in damages, but will force the company out of business altogether.

31. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

DATED this 28th day of September, 2022.

/s/ Scott Bryce
Scott Bryce
(SIGNED WITH PERMISSION RECEIVED VIA EMAIL)

EXHIBIT

1



April 3, 2019

Mr. Bret Miller
Chief Executive Officer
Rapid Enterprises, LLC d/b/a/ Express One
7910 S 3500 E, Suite B
Salt Lake City UT 84121

SUBJECT: Shipping Services Contract for Priority Mail® Express and Priority Mail® Service

Dear Mr. Miller:

This letter is regarding the Shipping Services Contract (SSC) between Rapid Enterprises, LLC d/b/a/ Express One and the United States Postal Service for Priority Mail Express and Priority Mail service, executed January 17, 2013.

Pursuant to Section VII of the SSC, we are terminating this agreement in compliance with the Postal Service Board of Governors' requirement enacted in Governors Resolution 19-4. This letter serves as official notification that this SSC will be terminated as of June 23, 2019.

The Postal Service sincerely appreciates your business and remains committed to providing outstanding package delivery service to our mutual customers. We look forward to discussing in the near future the possibility of entering into a new agreement. If you have any questions, please feel free to contact your USPS Business Alliance Manager.

Sincerely,

Lisa V. Ward
Lisa V. Ward
Director, Field Sales Strategy and Contracts

EXHIBIT

2

From: "Punnoose, Josen - Washington, DC" <Josen.Punnoose@usps.gov>

To: "Scott E Bryce" <sbryce@express1.com>

CC: "Atkin, Annette - Santa Ana, CA" <annette.atkin@usps.gov>

Date: 1/10/2020 4:20:06 PM

Subject: Registering Merchants

Scott,

Hope all is well. A few quick updates:

- We have one slight variation in how we will work with Stamps.com vs other PC Postage. For all merchants and platforms that you would like to register on Stamps.com, please include a unique MID for that merchant or platform. Stamps.com can provide that MID for you; We will need that MID when you submit the intake form (I've also copied Annette on this message).
- For all other PC Postage providers, please use a unique PCID for each merchant and platform that you would like to register; the PCID is also something that you can get from the PC Postage provider.
- Also, regarding the registration dates. If you can please get the intake form back to us by 1/17 (or sooner) for anyone that you would like to register by 1/26, that would be great.
- You can still register merchants and platforms later; you will be able to get the Tier 1 pricing until that registration has been approved and linked to the higher tier.

Hope this helps to clarify; have a great weekend.

Thanks,

Josen Punnoose
Product Innovation
United States Postal Service
202.268.2859 (office)
202.515.1812 (mobile)
Josen.Punnoose@usps.gov

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